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E.O. 12958: DECL: 04/20/2019
TAGS: [KNNP](#) [PREL](#) [IR](#) [MNUC](#) [ETTC](#) [IT](#)
SUBJECT: RESPONSE TO ITALY ON EXPORTS TO IRAN

REF: A. 09ROME83
[1](#)B. 09STATE8305
[1](#)C. 09ROME178
[1](#)D. 09ROME347

Classified By: EUR/PRA Acting Director Kathleen Morenski,
REASONS 1.4 (B) AND (D).

[1](#)1. (U) This is an action request. Please see paragraph
[1](#)2.

OBJECTIVES/ACTION REQUEST

[1](#)2. (C) Washington requests Post deliver the non-paper in paragraph 3 to appropriate host government officials in the foreign affairs ministry in response to the action request in REF A. Post should pursue the following objective:

-- Thank Italy and inform them that the United States is investigating both Worthington (Ref D) and Emerson Process Management (Ref C) for possible violations of U.S. export control laws.

-- Inform GOI that we have analyzed the additional documentation provided by Italy (Ref D) and urge Italy to deny this export if it meets nuclear or chemical weapons-capable parameters.

-- Remind the GOI of our continued concerns about Pars Oil and Gas Company,s potential to divert these items to the nuclear program.

NONPAPER

[1](#)3. (C) BEGIN NONPAPER FOR ITALY

-- We appreciate the information you provided us on Emerson Process Management,s and Worthington,s) both U.S. companies) potential circumvention of U.S. laws regarding sanctions on Iran via subsidiaries in Italy.

-- We passed this information to the U.S. law enforcement community, which is investigating the activities of these companies for possible violations of U.S. law. Once our investigation is complete, we will share the results with you.

-- We have also reviewed the additional information you provided regarding the license application to export valves to Pars Oil and Gas Company in Tehran.

-- Based on the information provided, our technical experts did not have enough information to affirmatively conclude that these valves are chemical weapons or nuclear-capable.

-- We encourage Italy to carefully review the technical specifications again to assess whether these items meet the chemical or nuclear-capable parameters.

-- We reiterate that we were able to find three past Nuclear Supplier Group (NSG) complimentary denials (catch alls) reported to Pars Oil and Gas Company and which were determined to be linked to Mesbah Energy Company, the AEOI-owned company purchasing goods for Iran's heavy water production plant.

-- All three NSG denials involved dual-use, uncontrolled chemical process equipment (pipeline strainers, strainers and gaskets for pumps, gate valves, globe valves, and check valves) with uses in both legitimate petrochemical industry activities and in Iran's heavy water production facility.

-- The linkages to Mesbah Energy demonstrate that the Iranians have used Pars Oil and Gas Company for heavy water production related procurement, at least in these instances.

-- We believe that a presumption of denial would be appropriate based on past NSG complimentary denials and established linkage between Pars Oil and Gas Company and Mesbah Energy, the heavy water production project.

-- Mesbah Energy was designated in United Nations Security Council Resolution 1737 as a result of its involvement in the Iranian nuclear program. Mesbah was subsequently sanctioned by the European Union.

-- We underscore our continuing concern that Iran will make use of all of its national industries, but particularly its petrochemical industry, to obtain items and materials in support of its proscribed nuclear activities as well as chemical weapons activities.

-- You may recall that we briefed the NSG on this concern and distributed U.S.-developed watch lists of items that have both legitimate petrochemical industry applications, but also which Iran may seek for its nuclear program.

--We continue to urge the utmost vigilance in monitoring all such trade with Iran and believe this risk of diversion to a nuclear end use is reason enough to reduce trade with the petrochemical industry.

END NON-PAPER

REPORTING DEADLINE

¶4. (U) Post should report results within seven business days of receipt of this cable. Please slug replies for ISN, T, EUR, and NEA. Please use the caption SIPDIS in all replies.

POINT OF CONTACT

¶5. (U) Washington point of contact for follow-up information is ISN/CPI Lisa Meyers, 202-736-7939, meyersla@state.gov.

¶6. (U) Department thanks Post for its assistance.
CLINTON